

The Siemens logo is displayed in a white rectangular box in the top left corner. The background of the slide features a repeating geometric pattern of light blue triangles and squares.

Joe Kaeser, President and CEO

Disciplined execution of Vision 2020

Bernstein Strategic Decisions Conference
New York, May 27, 2015

Notes and forward-looking statements

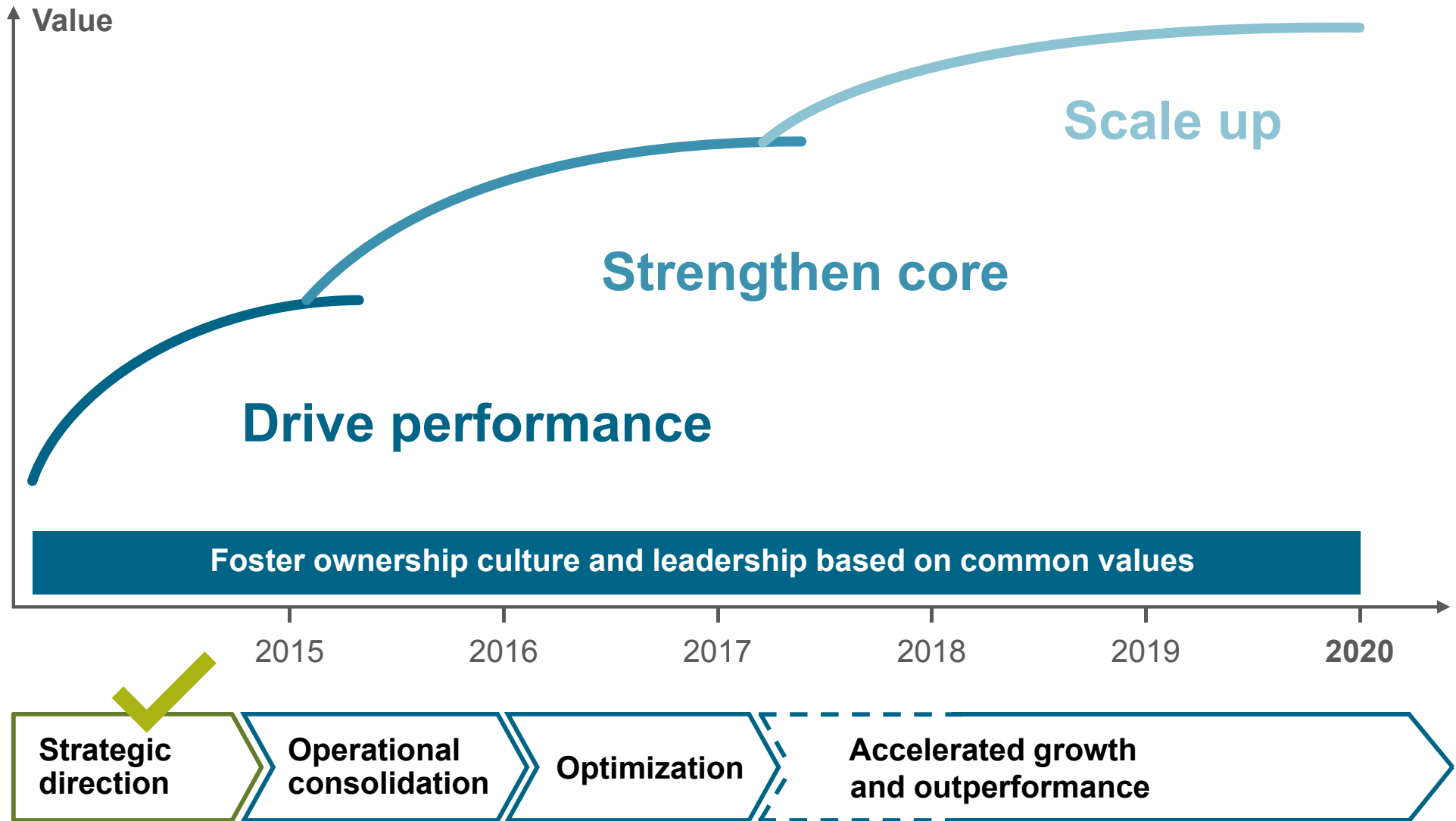
This document contains statements related to our future business and financial performance and future events or developments involving Siemens that may constitute forward-looking statements. These statements may be identified by words such as “expect,” “look forward to,” “anticipate” “intend,” “plan,” “believe,” “seek,” “estimate,” “will,” “project” or words of similar meaning. We may also make forward-looking statements in other reports, in presentations, in material delivered to shareholders and in press releases. In addition, our representatives may from time to time make oral forward-looking statements. Such statements are based on the current expectations and certain assumptions of Siemens’ management, of which many are beyond Siemens’ control. These are subject to a number of risks, uncertainties and factors, including, but not limited to those described in disclosures, in particular in the chapter Risks in the Annual Report. Should one or more of these risks or uncertainties materialize, or should underlying expectations not occur or assumptions prove incorrect, actual results, performance or achievements of Siemens may (negatively or positively) vary materially from those described explicitly or implicitly in the relevant forward-looking statement. Siemens neither intends, nor assumes any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated.

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Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Siemens Vision 2020

Value creation and cultural change



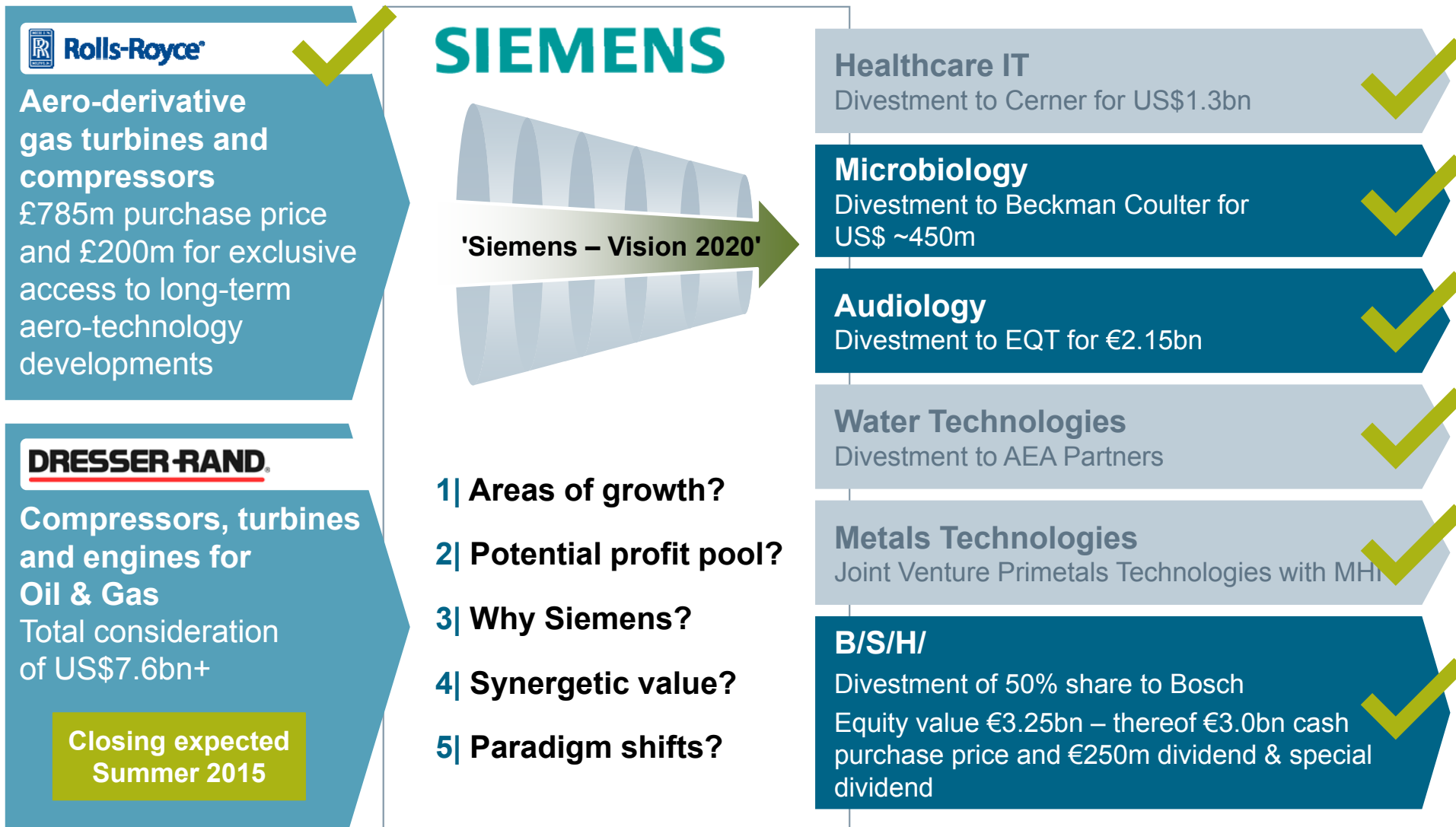
Siemens Vision 2020 on track

Execution milestones until 2017

Until	Execution steps	
Q4 2014	Implementation of new and simplified organization by Oct. 1	✓
	Introduction of incentive system 2015	✓
Q2 2015	Stringent portfolio optimization - closing of announced divestments	✓
	Measures for structural optimization defined (governance & support functions)	✓
	Decision on resource allocation for underperforming businesses	✓
Q4 2015	Update on cost reduction progress	
	Update on measures for growth fields and innovation	
	Share buy-back executed (up to €4bn)	
Q4 2016	Update on execution of further portfolio optimization	
	Progress on cost reduction: Major portion of €1bn savings effective	
Q4 2017	Underperforming business fixed	
	€1bn cost savings fully effective	


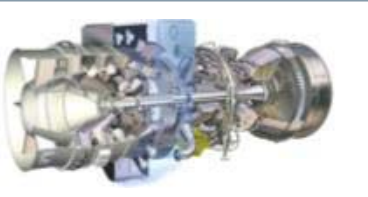



Executing Vision 2020

Capital allocation along strategic imperatives



Installed base secures recurring service revenues with robust after sales margin

Combined serviceable fleet (small turbines and compressors)

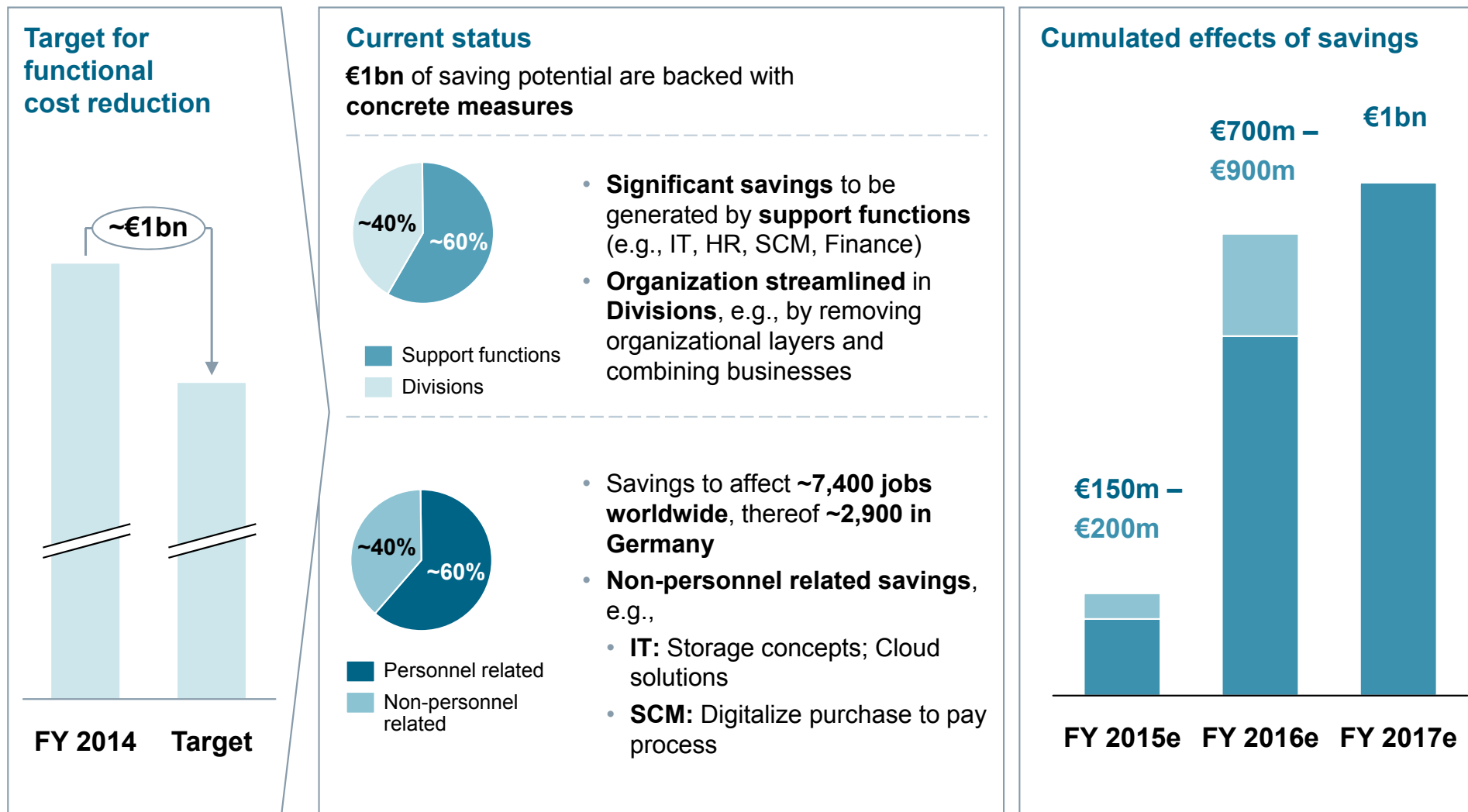
	 Small/medium gas turbines	 Aero-derivative gas turbines	 Steam turbines	 Compressors
 Rolls-Royce		2,500		1,600
DRESSER-RAND	1,500		62,000	32,500
SIEMENS	2,250		10,000	10,000



**Six-fold increase of combined Siemens fleet
Synergy potential close to €200m confirmed**

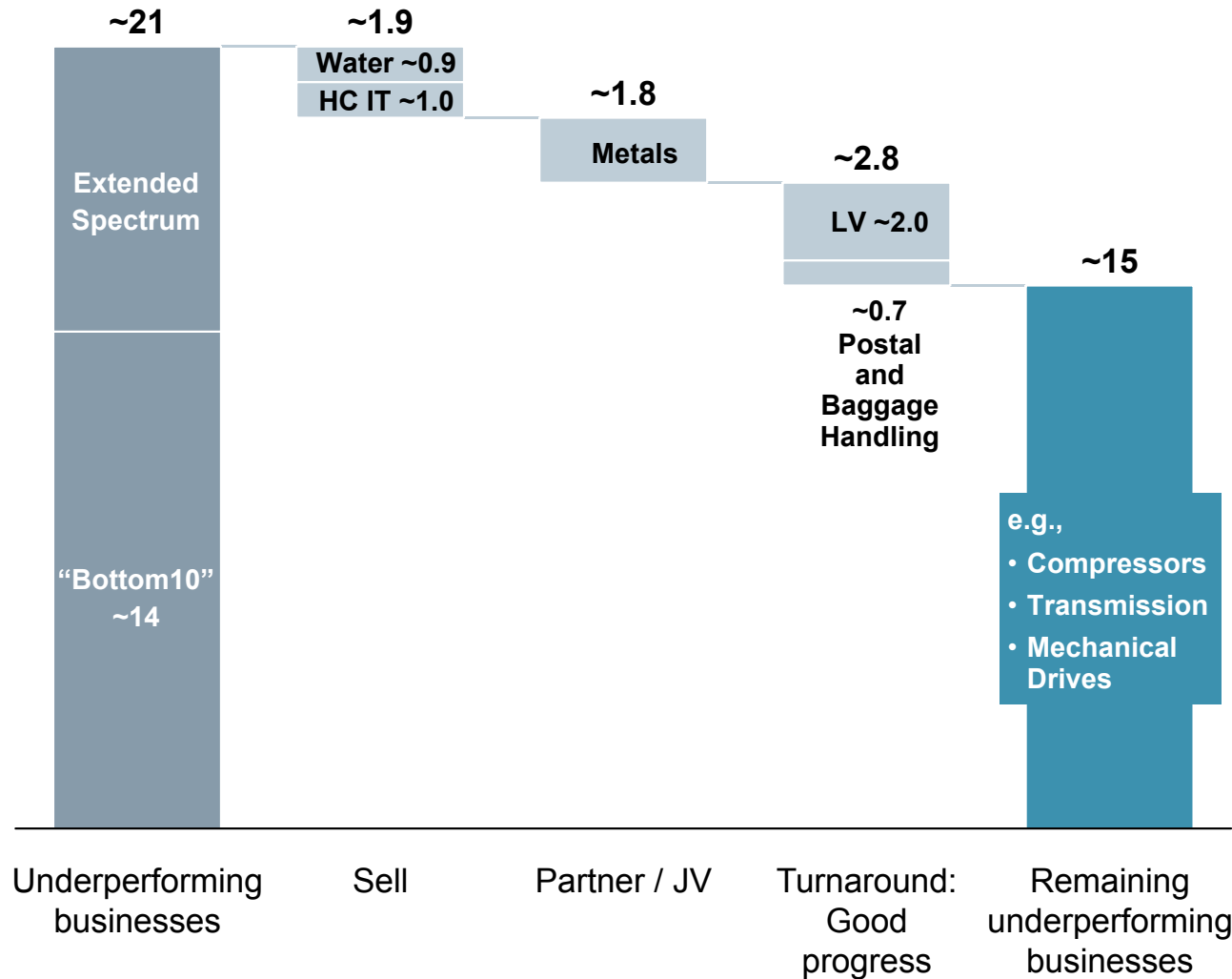
Our target to reduce complexity and achieve cost reduction of ~€1bn is on track

Current status of functional cost reduction



Fixing remaining underperforming businesses is key priority – other options remain

Revenue FY 2013 in €bn

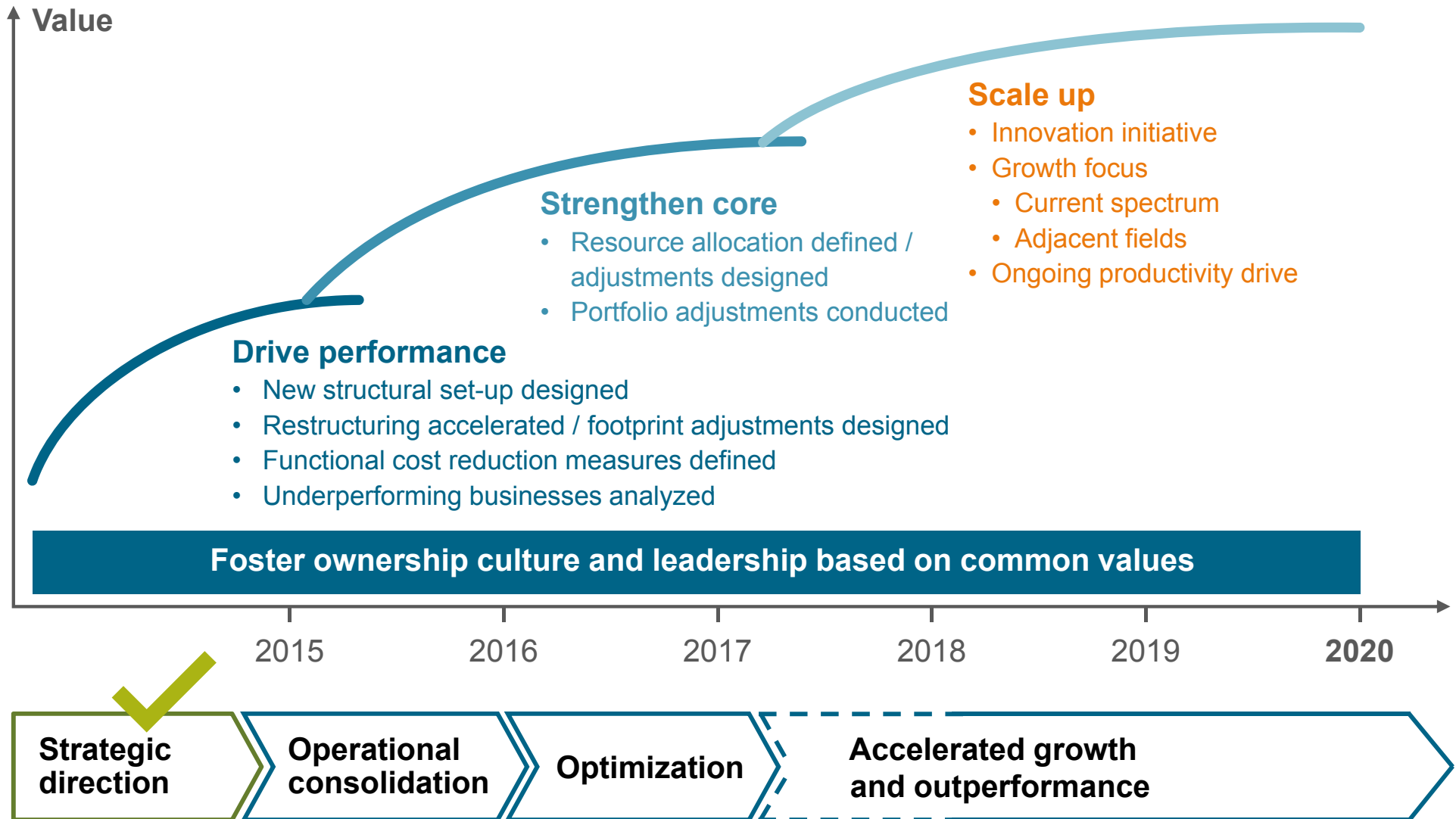


- Footprint optimization
- Reverse integration
- Partnering
- Tight Managing Board control

FY	13	14	15e	17e	20e
Margin	-4%	-3%	+1%	~6%	>8%

Cornerstones for Vision 2020

Future focus on growth, innovation and productivity

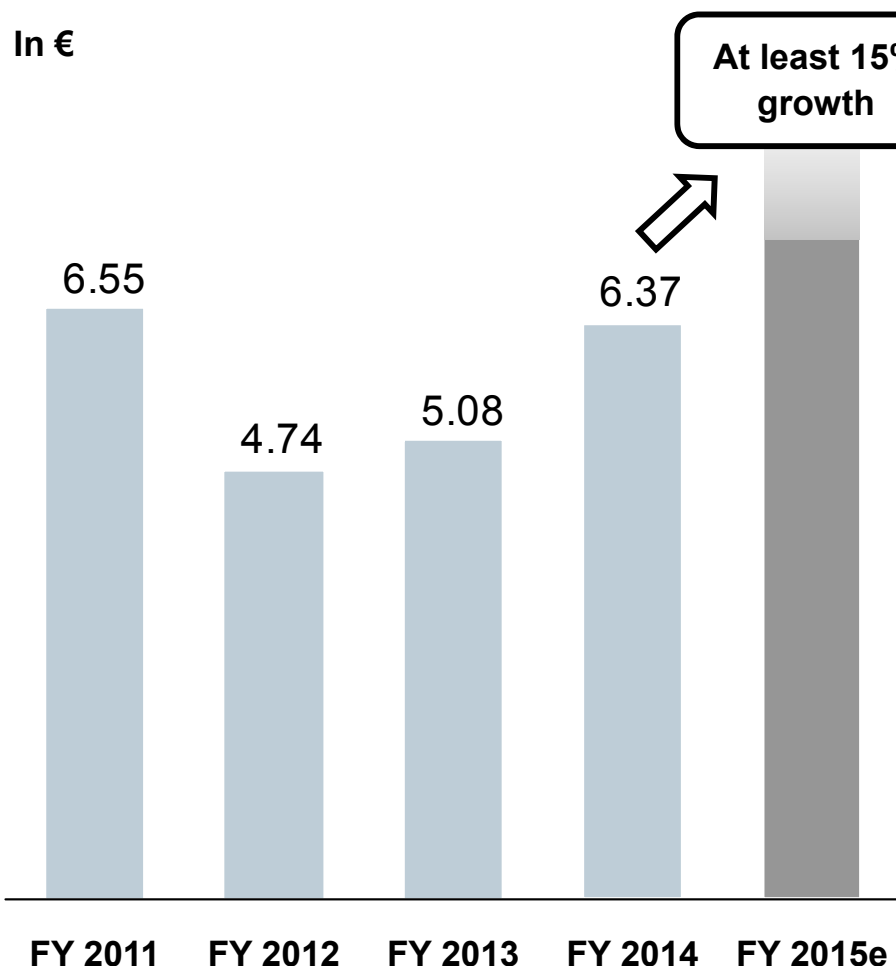


Appendix

Outlook Fiscal 2015 confirmed despite weakening indicators

Basic earnings per share (Net income)

In €

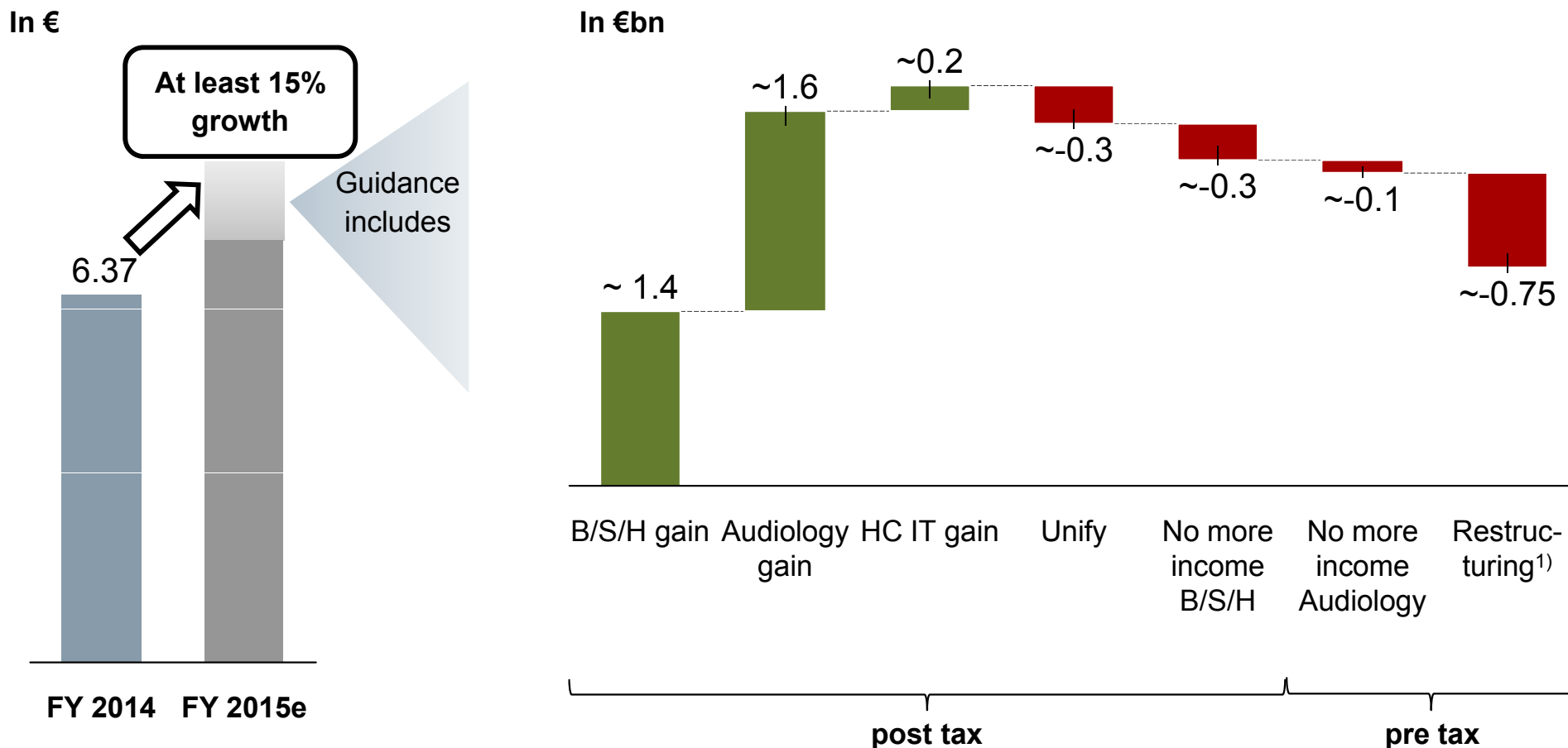


- We believe that our business **environment will be complex in fiscal 2015**, among other things due to **geopolitical tensions**.
- We expect **revenue on an organic basis** to remain **flat year-over-year**, and orders to exceed revenue for a **book-to-bill ratio above 1**.
- Furthermore, we expect that **gains from divestments** will enable us to **increase basic earnings per share (EPS) from net income by at least 15% from €6.37 in fiscal 2014**.
- For our **Industrial Business**, we expect a profit **margin* of 10–11%**.
- This outlook excludes impacts from legal and regulatory matters.

**Effective with fiscal 2015, our enhanced profit definition excludes amortization of intangible assets acquired in business combinations.*

Restructuring and operational consolidation in FY 2015 is financed by disposal gains

Basic earnings per share (Net income)

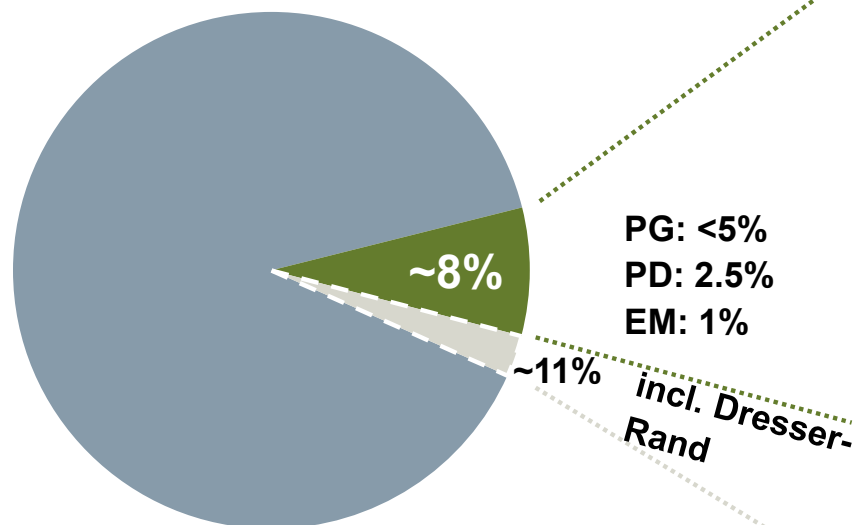


1) Midpoint of range of mid to high three digit million Euro assumed

Oil & Gas exposure still limited - "Secondary impact" could be higher

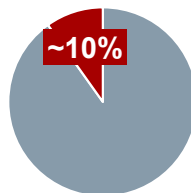
Direct Oil & Gas exposure

(Estimate in % of FY 2014 orders incl. Rolls-Royce pro forma)

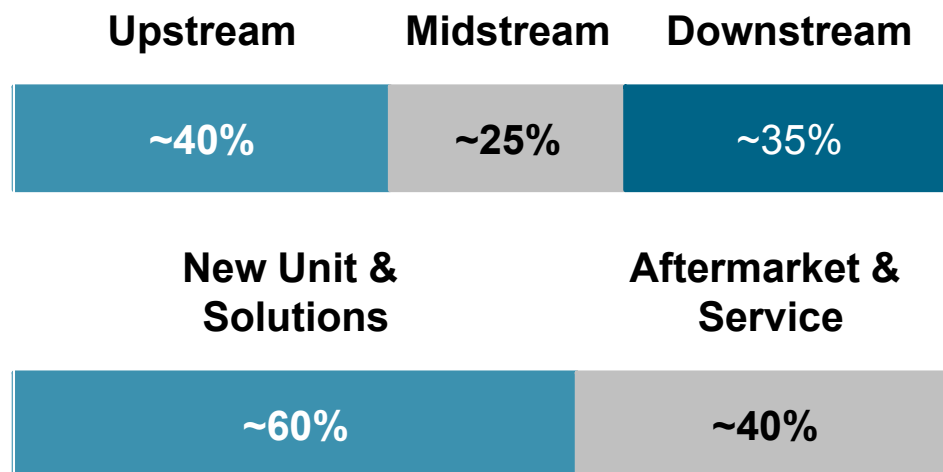


"Secondary" effects

Siemens orders FY 2014 in selected Oil exporting countries with strong NOCs (mainly OPEC, Russia, Kazakhstan)

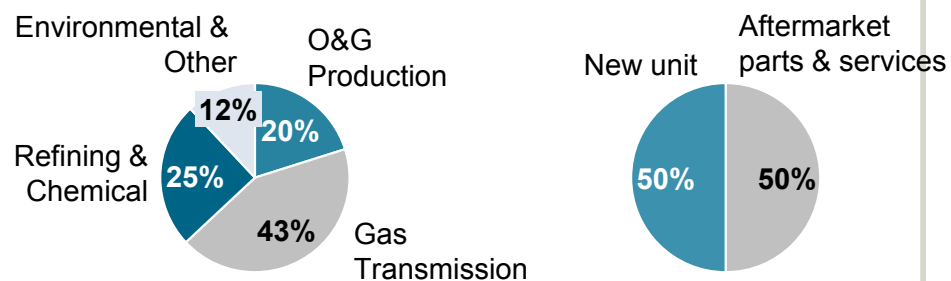


Exposure along value chain



Dresser-Rand:

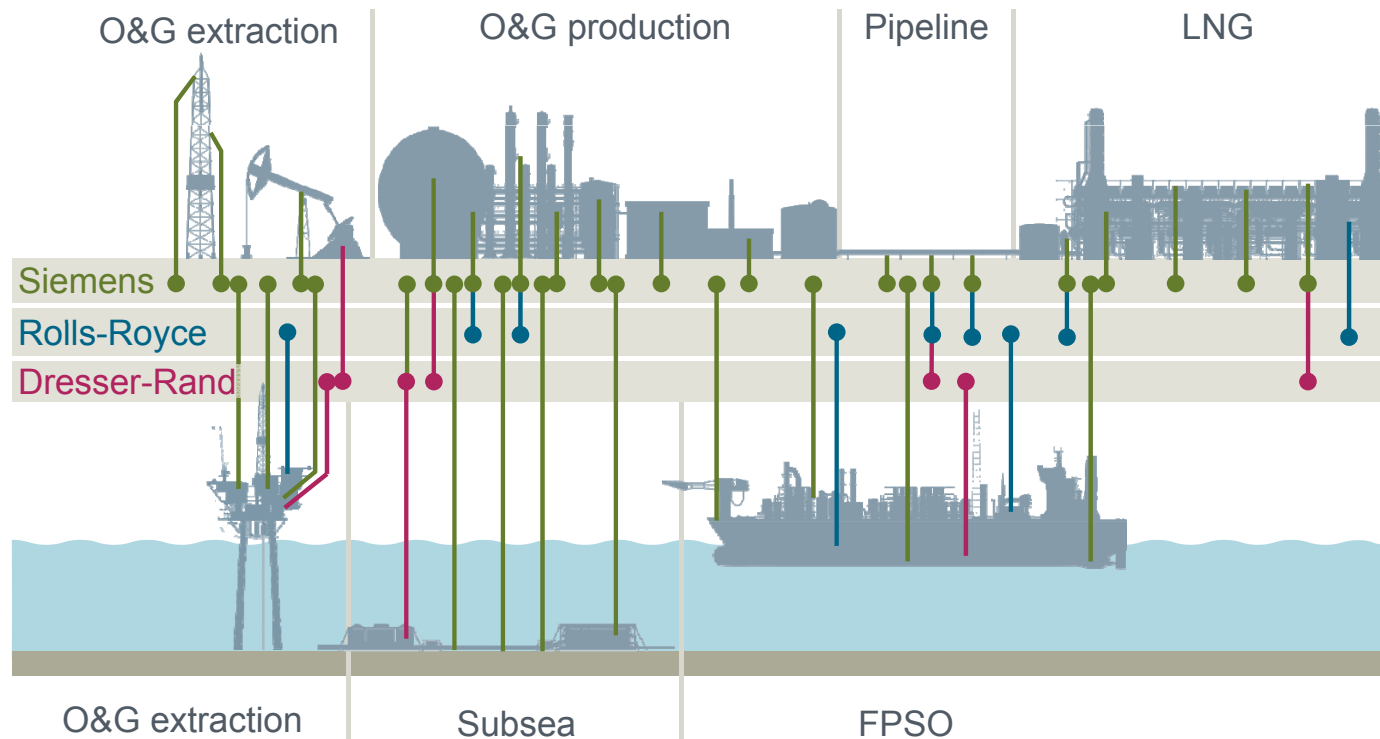
Orders and Revenue FY 2014 of \$2.8bn



Source: Dresser-Rand, 10-K Filing, Annual Report 2014

Oil & Gas – Recent acquisitions leverage attractive offerings and market access

Onshore



Portfolio and growth synergies

- **Advanced offering from drives to solutions**, e.g. compressor train with Siemens turbines
- **Efficient service for joint installed base and pull through of additional offerings**
- **Improved market access together with other divisions**

Offshore

FPSO = Floating, Production, Storage and Offloading; LNG = Liquefied Natural Gas

One Siemens Financial Framework – Clear targets to measure success & accountability

One Siemens Financial Framework

Siemens

Growth:
Siemens > most relevant competitors¹⁾
 (Comparable revenue growth)

Capital efficiency
 (ROCE²⁾)

15-20%

Total cost productivity³⁾
3-5% p.a.

Capital structure
 (Industrial net debt/EBITDA)

up to 1.0x

Dividend payout ratio
40-60%⁴⁾

Profit Margin ranges of businesses (excl. PPA)⁵⁾

PG
11-15%

EM
7-10%

MO
6-9%

PD
8-12%

SFS⁶⁾
15-20%

WP
5-8%

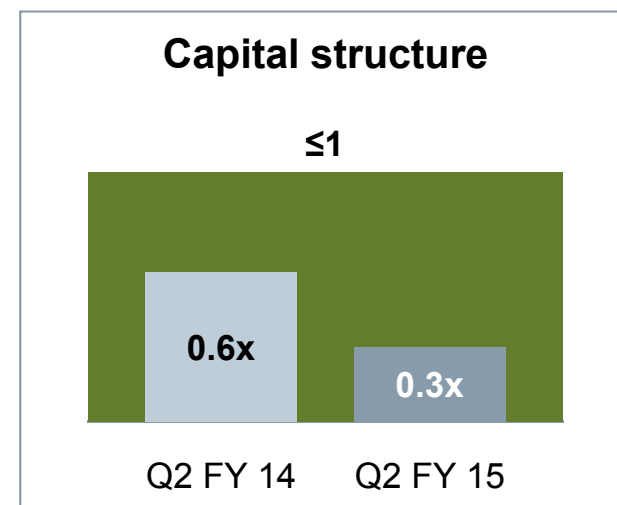
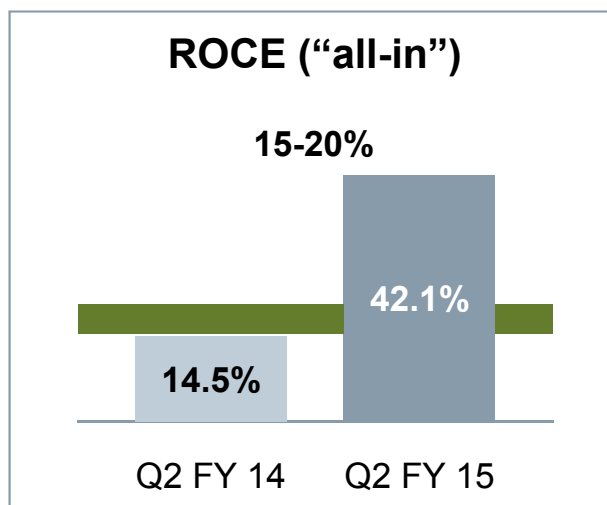
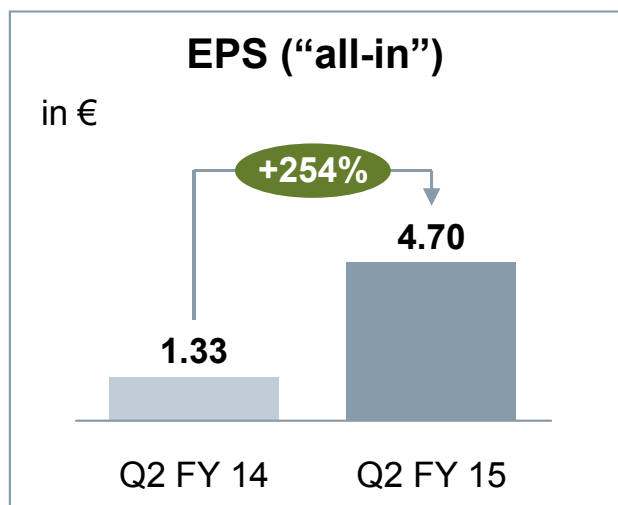
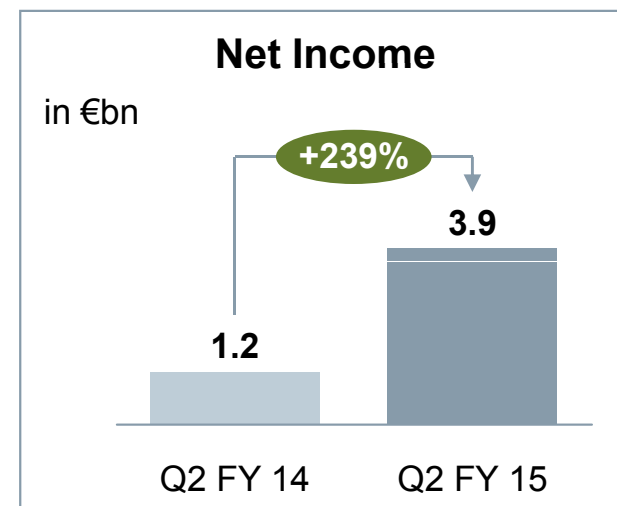
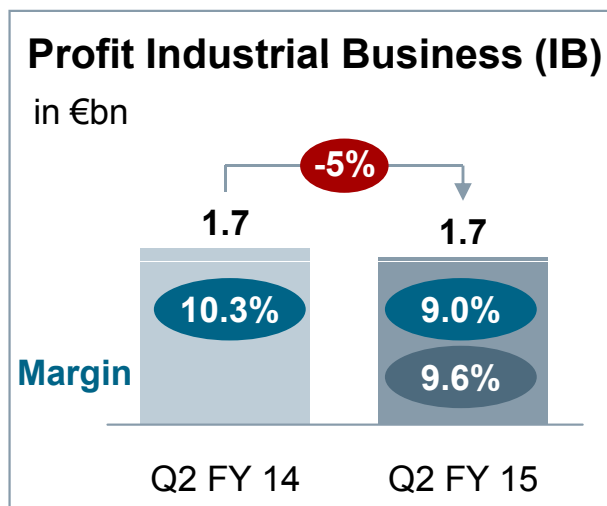
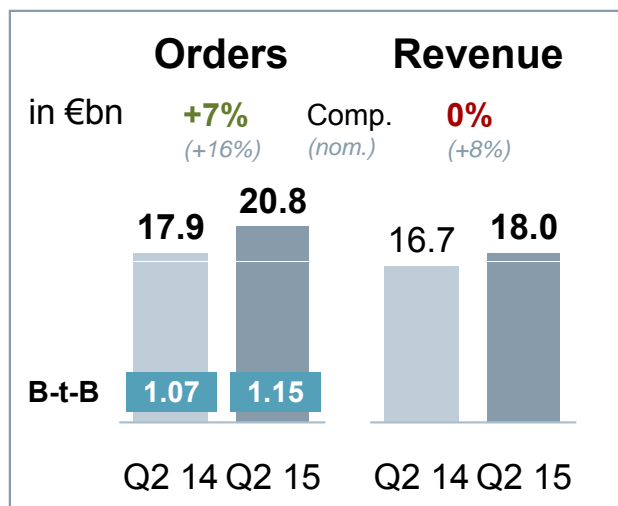
BT
8-11%

DF
14-20%

HC
15-19%

1) ABB, GE, Rockwell, Schneider, Toshiba, weighted; 2) Based on continuing and discontinued operations; 3) Productivity measures divided by functional costs (cost of sales, R&D, SG&A expenses) of the group; 4) Of net income excluding exceptional non-cash items; 5) Excl. acquisition related amortization on intangibles; 6) SFS based on return on equity after tax

Financial Cockpit

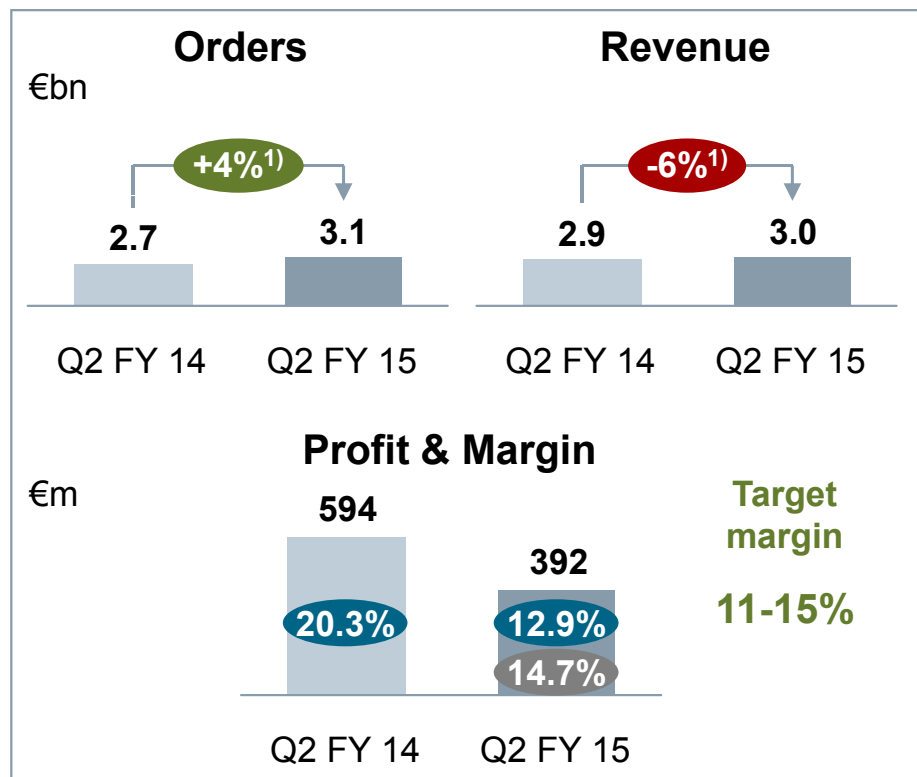


x.x% Margin as reported

x.x% Margin excl. severance

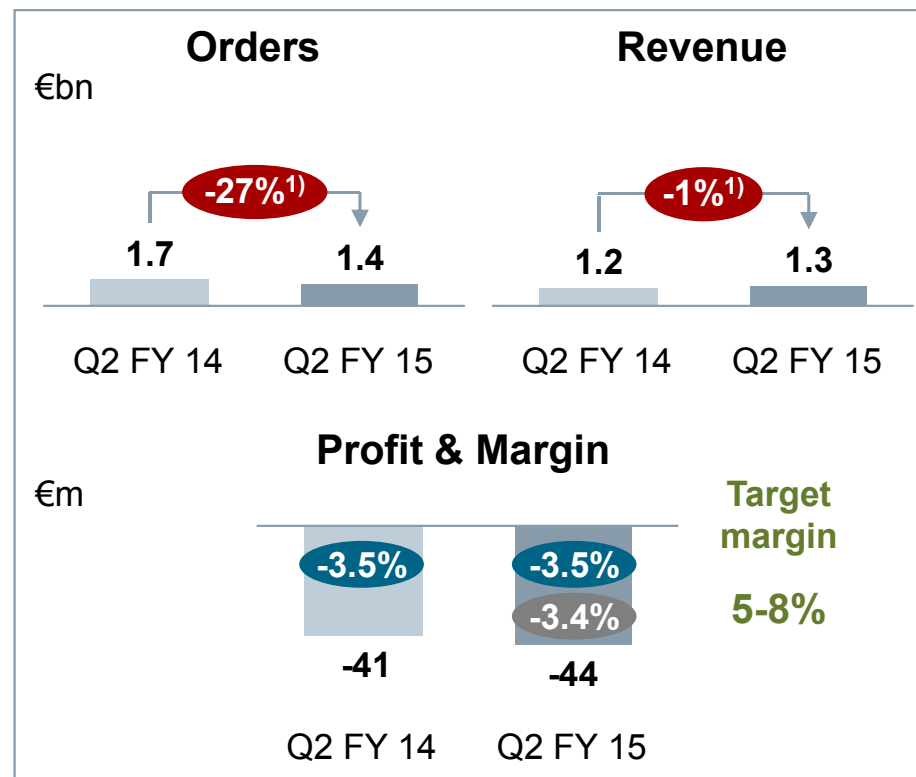
PG: Accelerating innovation and productivity actions WP: Continued operational challenges impact margin

Power and Gas (PG)



- Positive effects by strong project execution
- Higher R&D for innovation push
- Expect operational margins at the lower end of the corridor

Wind Power and Renewables (WP)

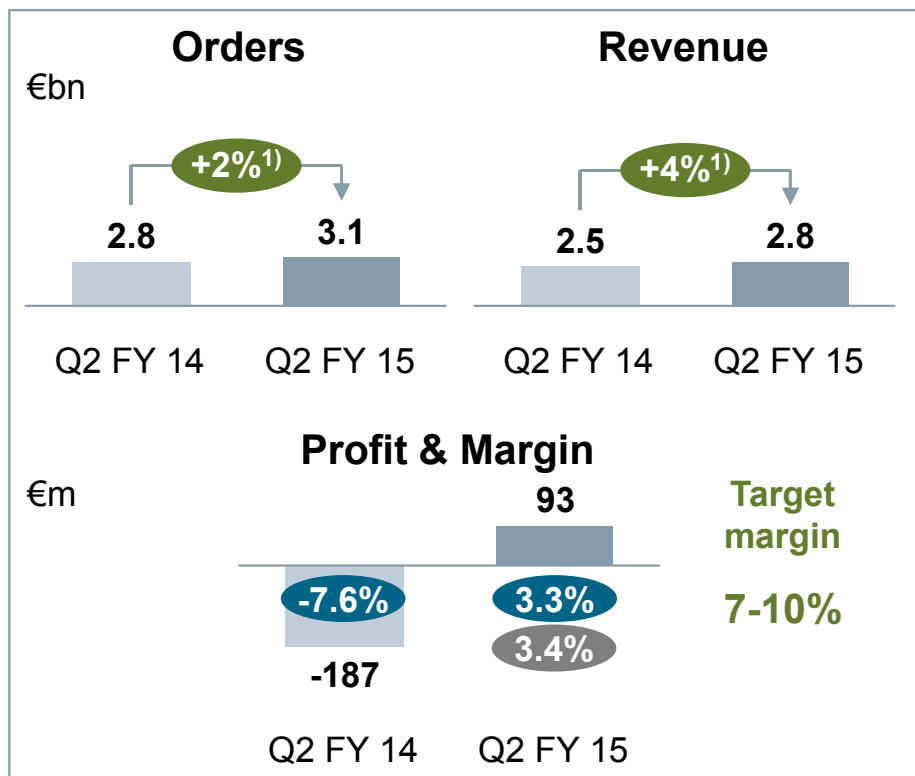


- Sharply lower offshore order volume
- Main bearings still a topic
- Ramping up commercial scale production of a new turbine offering

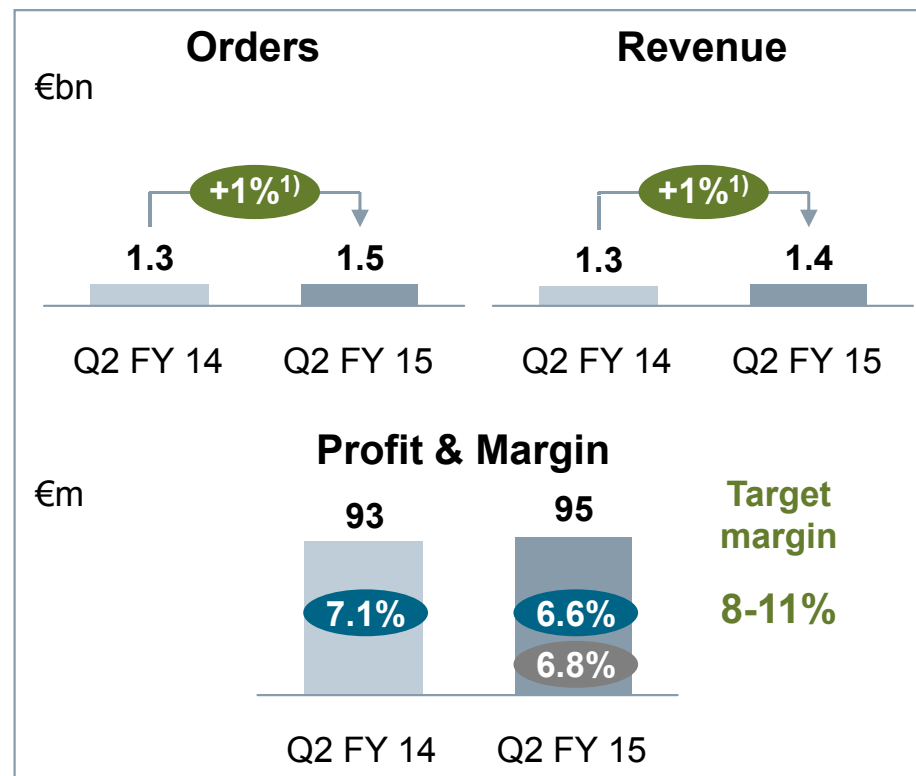
1) Comparable, i.e. adjusted for currency translation and portfolio effects

EM: Progress in execution of legacy projects BT: Productivity push to mitigate CHF strength

Energy Management (EM)



Building Technologies (BT)



- Substantial order growth in Americas due to large HVDC order
- Adverse mix due to large revenue portion with low margins

- Order growth driven by the U. S.
- Mid-term productivity measures to compensate for adverse profit impact of CHF appreciation initiated

1) Comparable, i.e. adjusted for currency translation and portfolio effects

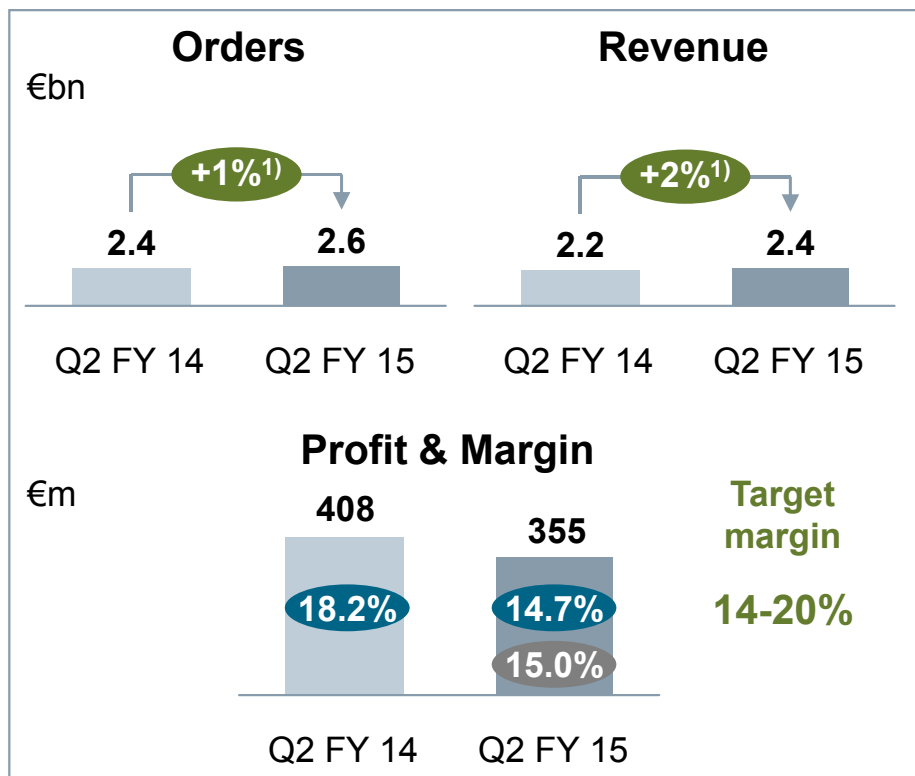
x.x% Margin as reported

x.x% Margin excl. severance

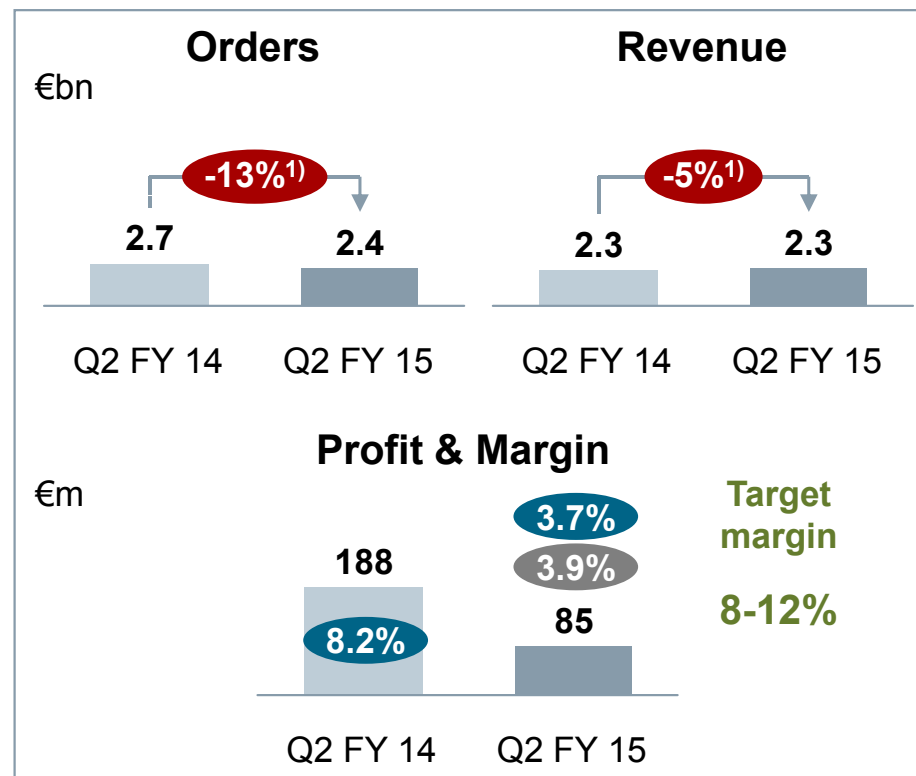
DF: Temporarily softer and stronger outlook

PD: Commodity related weakness weighs on margin

Digital Factory (DF)



Process Industries and Drives (PD)



- Order growth driven by motion control and industry software (PLM)
- Lower revenue share from high margin products and weaker China channels

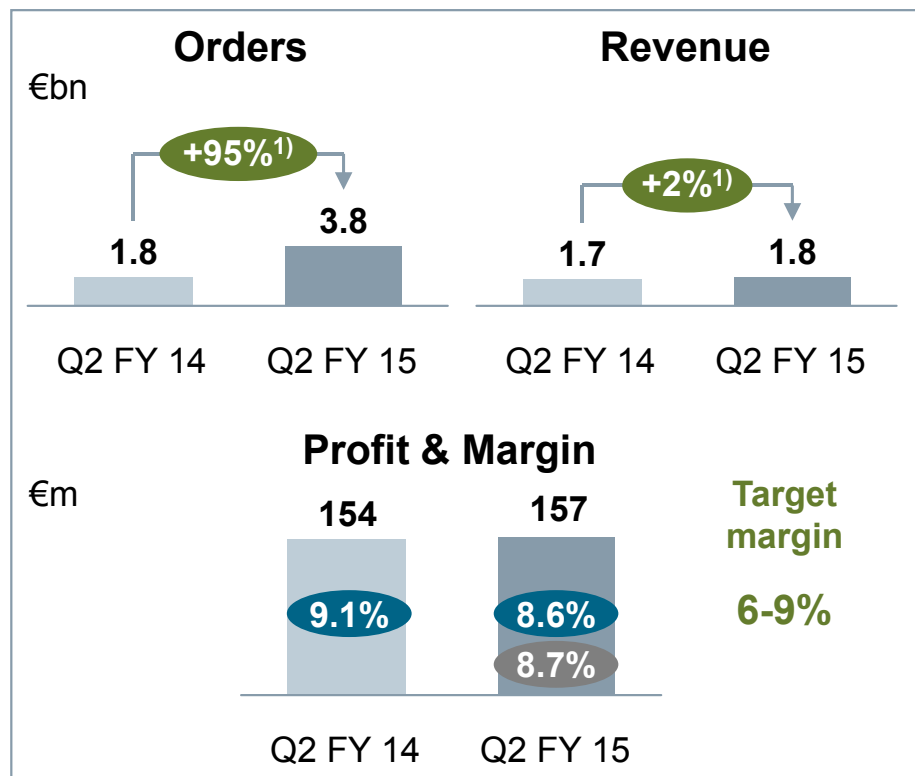
- Weaker demand in commodity related industries (O&G, Metals, Mining, Cement)
- Margin impact from operational challenges in O&G/Marine & Large Drives solutions

1) Comparable, i.e. adjusted for currency translation and portfolio effects

x.x% Margin as reported x.x% Margin excl. severance

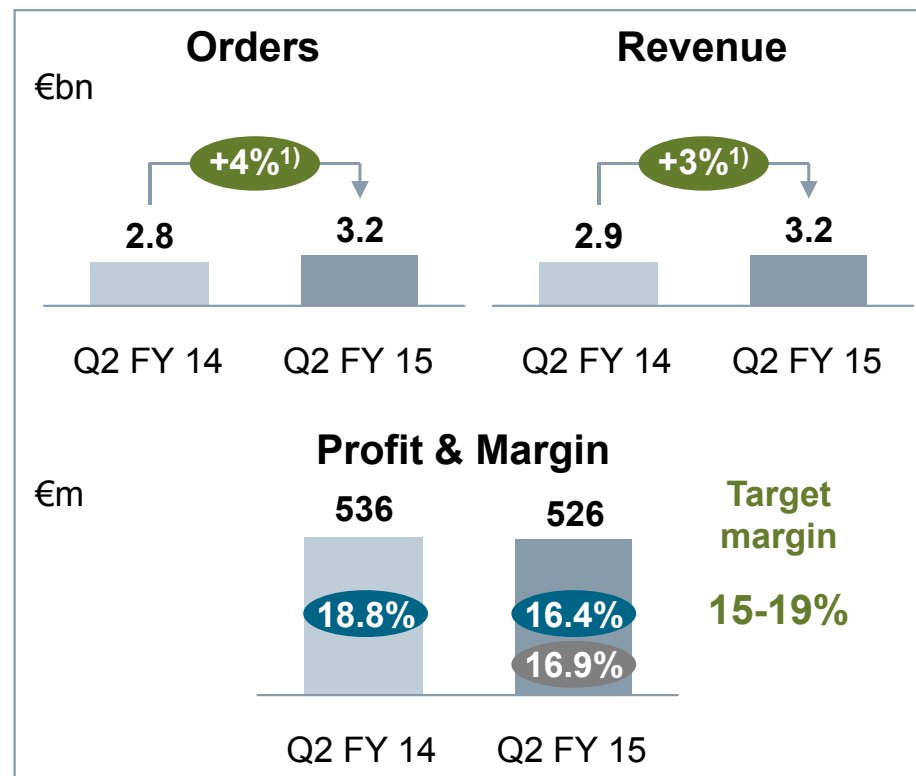
MO: Stringent project execution HC: Higher growth and solid margin

Mobility (MO)



- Revenue growth driven by execution of turnkey projects & rail infrastructure bus.
- Higher revenue and net positive effects related to high speed trains foster margin

Healthcare (HC)



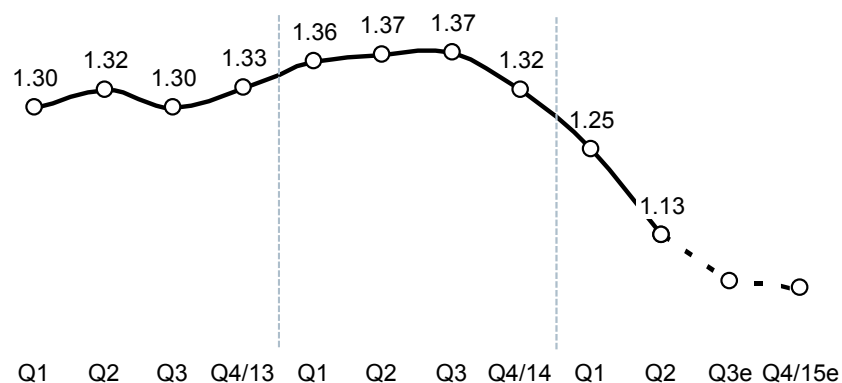
- Revenue strong in Europe and good in China, US flat
- Includes €61m gain on sale of Microbiology business

1) Comparable, i.e. adjusted for currency translation and portfolio effects

Weaker Euro with limited windfall for H1 profitability, acceleration expected in H2 FY 2015

FX impact in FY 2015

Quarterly average EUR/USD rates



FX impact

	Q2/15	H1/15	H2/15e
Revenue	+8%	+5%	high single digit
Profitability	-10bps	+10bps	~+90bps

Hedging strategy and effects

- **Limited impact on profitability in H1** due to consistent hedging policy:
 - ≥75% of product business exposure at least three months in advance
 - Large project businesses fully hedged at time of order booking
- **Margin windfall in H2** as favorable hedging rates take effect
- **Medium term some positive structural effects** from weaker Euro against major currencies (USD, CNY, GBP, INR, among others)
- Strong focus on **natural hedging** to mitigate risk from currency volatility

Financial calendar

May

May 27, 2015

Bernstein Strategic Decisions Conference (New York)

May 28, 2015

Canada Roadshow (Toronto)

June

June 10, 2015

Exane European CEO Conference (Paris)

June 11, 2015

JP Morgan European Capital Goods Conference (London)

June 17, 2015

Deutsche Bank German, Swiss & Austrian Conference (Berlin)

July

July 30, 2015

Q3 Earnings Release and Analyst Call

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